

The complaint

Mrs M complains that Santander UK Plc ('Santander') didn't do enough to protect her when she made payments to a property investment opportunity that she now considers was a scam.

Mrs M brings her complaint with the assistance of a professional representative. For ease of reading within this final decision, I will refer solely to Mrs M in the main.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

Mrs M says that she was persuaded to invest with a company that I'll refer to as 'Company H' in my decision. Company H was a private rental development company which offered loan notes to investors to raise money for its projects. It was the parent company of a group of companies. Mrs M says the sale and rent of Company H's assets would later generate company income which would be used to pay investors income and capital.

In March 2019, Mrs M made three faster payments to Company H, totalling £75,000.

Company H has gone into administration. Mrs M believes the investment wasn't genuine and that she is the victim of a scam. She complained to Santander in June 2024, but didn't receive a response. Mrs M brought her complaint to this service in September 2024. Through her representative, she provided detailed evidence that she considered supported her contention that she was the victim of a scam by Company H.

Santander, upon acknowledgement of the complaint being with our service, issued a final response letter to Mrs M on 7 October 2024. Santander didn't uphold her complaint, advising Company H had gone into administration and it deemed the matter to be a civil dispute.

Santander, in its submissions to this service, advised Company H were an established company that went into administration and Mrs M's claim is therefore in relation to a failed investment. So it deemed the matter was a civil dispute between Mrs M and Company H and Mrs M needed to contact the Receivers in an effort to recover her funds. Santander also advised there was no way it could predict Company H would go into administration (at the time the payments were made).

Our Investigator didn't uphold her complaint. In short, they considered that while Santander ought to have likely intervened in the payments, given the amounts, they didn't think it would have resulted in Mrs M not going ahead with the payments. They didn't consider there wasn't anything to indicate that Mrs M was potentially at risk of financial harm from fraud at the time the payments were made. And it was only recently, after Company H entered into administration, that concerns around some of Company H's actions and that it might potentially have been operating a scam were raised. But neither Mrs M nor Santander would have known that at the time. So they didn't consider Santander should have fairly and reasonably refused to proceed with the relevant payment instructions or that it was liable in any way.

Mrs M disagrees and maintains that her complaint should be upheld. She says that Santander failed to comply with PAS 17271:2017 (the PAS Code) and FCA Principle 6. She's said Santander should've asked to see correspondence she received from Company H and considered the delay in Company H filing accounts. Mrs M has also explained why she thinks Company H was operating a scam and a Ponzi scheme.

In particular, Mrs M has referred to high commissions paid to introducers and to high interest rates. And she says Administrators for Company H haven't offered any conclusions on the inter group transactions that are being investigated and certainly haven't concluded there was nothing irregular going on.

As Mrs M didn't accept the Investigator's opinion, the complaint has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Taking into account the law, regulations, guidance, standards, codes, and industry practice I have referred to above, (including the PAS Code), Santander should have been on the look-out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). And, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

Mrs M made three payments of £25,000 in quick succession to Company H, as she was investing a total of £75,000. Given the value of these payments, and Mrs M's previous account usage, I accept Santander ought to have intervened and asked some questions about the purpose of the payments to understand better what Mrs M was doing, alongside providing a relevant scam warning to her about any potential fraud risk posed. And given the amount, I think it likely ought to have been in the form of human intervention. However, and importantly, with any intervention – I have to consider whether it would have made a material difference and prevented Mrs M from proceeding with the payments. Here, I don't consider that any proportionate conversations about the first or subsequent payments would've changed Mrs M's decision to invest with Company H.

I'm not persuaded the kind of information I'd expect Santander to have shared/discussed with Mrs M would've prevented the payments from being made. Company H was a legitimately registered company at the time Mrs M paid into it. And there wasn't anything in the public domain at the time to suggest Santander should've been concerned that Mrs M might be falling victim to potential fraud or a scam. Many of the points Mrs M has raised didn't come to light until later and so this doesn't change my outcome, as Santander wouldn't have been aware what would happen with how Company H would be run or with regards to Mrs M's loss now.

Mrs M has provided some of the promotional literature for the investment with Company H. It's persuasive and comprehensive information for investors which sets out how it operates, and the returns expected. It seems highly unlikely that a conversation with Santander would've prevented Mrs M going ahead with the investment when she held this information. And there also wasn't anything obviously concerning about Company H available at the time of the payment.

I haven't seen information that indicates Santander ought to have stopped the payments to Company H at the time Mrs M made them, or that anything it shared would've prevented her from going ahead. And I'm mindful Santander wasn't required to provide Mrs M with investment advice as part of processing the payments, for example, to go through Company H's finances in the way it's been suggested by Mrs M's representative.

I appreciate Mrs M is now in a position where she's lost out financially due to this investment. But I don't consider her loss is the result of any failings by Santander.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 28 August 2025.

Matthew Horner
Ombudsman